

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 12/17/2013	(3) CONTACT/PHONE Tami Douglas-Schatz (805) 781-5959	
(4) SUBJECT Submittal of two Resolutions approving 1) an increase in employee-paid pension contribution rates for the Association of San Luis Obispo County Deputy Sheriffs (ASLOCDS), Law Enforcement Unit (Bargaining Unit 27) and Supervisory Law Enforcement Unit (Bargaining Unit 28), and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt two Resolutions approving 1) an increase in employee-paid pension contribution rates for the Association of San Luis Obispo County Deputy Sheriffs (ASLOCDS), Law Enforcement Unit (Bargaining Unit 27) and Supervisory Law Enforcement Unit (Bargaining Unit 28), and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$40,038.00	(8) ANNUAL FINANCIAL IMPACT \$80,075.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW  Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director  
(805) 781-5959

DATE: December 17, 2013

SUBJECT: Submittal of two Resolutions approving 1) an increase in employee-paid pension contribution rates for the Association of San Luis Obispo County Deputy Sheriffs (ASLOCDS), Law Enforcement Unit (Bargaining Unit 27) and Supervisory Law Enforcement Unit (Bargaining Unit 28), and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.

## **RECOMMENDATION**

It is recommended that the Board adopt two Resolutions approving 1) an increase in employee-paid pension contribution rates for the Association of San Luis Obispo County Deputy Sheriffs (ASLOCDS), Law Enforcement Unit (Bargaining Unit 27) and Supervisory Law Enforcement Unit (Bargaining Unit 28), and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.

## **DISCUSSION**

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust"). The valuation is intended to provide a measure of the funding status of the Trust. Based on the Pension Trust's 2012 valuation study (report dated January 1, 2013), it has been determined that an increased rate of contribution is needed to appropriately fund the Trust. The total rate increase for all ASLOCDS employees (safety members in the classifications of Deputy Sheriff, Sheriff's Senior Deputy, and Sergeant) is 1.21%. Pursuant to Article 7.1.4 of the ASLOCDS MOU Amendment, dated June 19, 2012 (original MOU dated November 23, 2010), ASLOCDS employees and the County shall equally split the pension rate increase (50/50). Approval of these Resolutions will increase the employee-paid pension contribution rates and amend the San Luis Obispo County Employees Retirement Plan Appendices.

- Effective the pay period that includes January 1, 2014, the pension contribution rate for ASLOCDS employees in Bargaining Units 27 and 28 shall increase by 0.60%. The County's appropriation rate shall also increase by 0.61%.
  - Tier 1 and Tier 2 member contributions rates are reflected in Appendix B – Safety Members Contribution Rates and Appendix B Tier 2 – Safety Members Contribution Rates, attached hereto, to reflect the new member contribution rates and the County's new appropriation rate.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Representatives from the Administrative Office, Auditor-Controller and the Pension Trust participated in the development of the Employees Retirement Plan Appendices. County Counsel has reviewed and approved the Resolutions and Employees Retirement Plan Appendices for legal form and effect. The Auditor's Office will process the system changes needed to implement this increase.

## **FINANCIAL CONSIDERATIONS**

By splitting the 1.21% pension rate increase (half of which is approximately 0.61%), the County costs for FY2013-14 will

increase by approximately \$40,038 for the time period of January, 2014 through June, 2014. The County's annual ongoing costs shall increase by approximately \$80,075.

## **RESULTS**

Approval of these Resolutions will help mitigate the effects of ongoing pension cost increases to the County by equally sharing the costs between the County and ASLOCDS employees. In keeping with the Board of Supervisors' direction to share in pension rate increases with all County employees, the County continues to maintain efforts toward ensuring a fiscally sustainable pension system. This Resolution also contributes to a results-oriented, well-governed community.

## **ATTACHMENTS**

1. Resolution - ASLOCDS Sworn Law Enforcement Unit (BU27)
2. Resolution - ASLOCDS Sworn Law Enforcement Supervisory Unit (BU28)
3. Appendix B - Safety Rates
4. Appendix B Tier 2 - Safety Rates